

TEACHERS' RETIREMENT BOARD
REGULAR MEETING

SUBJECT: Cash Balance Benefit Program Update

ITEM NUMBER: 10

ATTACHMENT(S) 0

ACTION _____

DATE OF MEETING: March 4, 1999

INFORMATION: X

PRESENTER: Ms. DuCray-Morrill

A. SUMMARY

The Cash Balance Benefit Program continues to flourish as 1999 progresses. As of February 17, 1999, fifteen employers in ten counties are actively reporting a total of 5,080 Cash Balance Benefit (CBB) participants and the Program has received over \$3.1 million in contributions. Three additional employers are involved in various stages of the implementation process: Antelope Valley Community College, Montgomery Elementary, and Ventura Community College Districts. All three districts should complete their election periods by May 1999, but contributions are due to be submitted beginning April 1999. In addition, the Foothill – De Anza and Santa Barbara Community College Districts are in the process of obtaining board approval to offer the Program. Combined, all five districts report an estimated 2,650 part-time employees eligible to elect the CBB Program. Based on previous program experience, it is estimated that the election process will produce 1,300 or more contributing participants by the end of June which will place the CBB Program well over the goal of 6,000 participants for the 1998/99 FY.

B. UPDATE ON PROGRAM MARKETING

The California State Teachers' Retirement System (CalSTRS) CBB Program marketing strategy continues to follow the Marketing Plan adopted by the Board in October 1997.

Product Promotion staff are currently in the process of revising all CBB Program marketing and educational material. The revisions will include replacing the current CBB Program logo with the new CalSTRS logo. Staff is currently exploring alternatives for a new CBB Program "look".

There are currently five workshop presentations scheduled for the immediate future. They include:

- February 22, 1999
Antelope Valley CCD - Employee Workshop
- February 23, 1999
Antelope Valley USD – Employer Presentation
- February 25, 1999
CalSTRS on-site new Regional Counseling Services Training
- April 1-2, 1999
CalSTRS Southern California Institute
- April 22-23, 1999
CalSTRS Northern California Institute

C. UPDATE ON ADMINISTRATION

The following is a new format that will be updated and presented to the Board on a monthly basis beginning with the April 1999 regular meeting.

PROGRAM GROWTH

The table below represents the CBB Program growth in several categories from June 1997 through December 1998.

	June 1997	December 1997	June 1998	December 1998
Participants	495	1,550	3,507	4,979
Participating Employers	2	8	13	15
Participating Counties	2	6	9	10
Total Contributions + Guaranteed Interest*	\$151,000	\$490,000	\$1,576,000	\$2,801,000
Net Asset Value*	\$167,000	\$504,000	\$1,620,000	\$3,450,000

*Amounts rounded to the nearest thousand dollars.

RATE OF RETURN ON INVESTMENTS
(Aggregate – TC11 and TC64)

The long-term rate of return on CBB Program funds has held its investment value even through the fluctuating market experienced during the 1998/99 fiscal year.

Period of Time	Rate of Investment Return
1 month (12/1/98 – 12/31/98)	4.20
FYTD (7/1/98 - 12/31/98)	8.35
1 year (1/1/98 -12/31/98)	23.93
Since Program Inception (2/1/97 – 12/31/98)	23.81

BENEFIT APPLICATIONS

As of December 31, 1998, the Cash Balance Benefit (CBB) Program has received a total of twelve (12) benefit applications: three (3) retirement applications, seven (7) termination applications, and two (2) death benefit applications. Of those twelve (12), two (2) have been paid and nine (9) are completed and ready to pay. The following tables represent the individual breakdown of CBB Program benefit applications.

Applications Received

	Aug 98	Sep 98	Oct 98	Nov 98	Dec 98	Total
Retirement	1	2	0	0	0	3
Termination	1	1	2	3	0	7
Death	0	0	0	1	1	2
Disability	0	0	0	0	0	0

Completed Applications Ready for Payment

	Aug 98	Sep 98	Oct 98	Nov 98	Dec 98	Total
Retirement	1	1	0	0	1*	3*
Termination	0	0	0	1*	4*	5*
Death	0	0	0	0	1*	1*
Disability	0	0	0	0	0	0

*No payments issued November 1998 through January 1999 pending application of Additional Earnings Credit.

Benefits Paid*

	Aug 98	Sep 98	Oct 98	Nov 98	Dec 98	Total
Retirement	0	0	0	0	0	0
Termination	0	0	2	0	0	2
Death	0	0	0	0	0	0
Disability	0	0	0	0	0	0

*No payments issued November 1998 through January 1999 pending application of Additional Earnings Credit.